

Building Plot Is State Wide, Say Probers

Three Hundred of Leading Dealers in Housing Material Outside of City Accused by Untermeyer

Brick Men Face Trial

Criminal Combine Alleged to Restrict Output of Buffalo District Yards

From a Staff Correspondent

BUFFALO, June 15.—Within twenty-four hours after the Lockwood committee on housing, began its inquiry in this city, Samuel Untermeyer, its chief counsel, announced to-day that sufficient evidence had been adduced to indicate criminal conspiracies among brick manufacturers in this district and building material dealers throughout the state. The committee, at his suggestion, ordered the testimony sent at once to District Attorney Guy B. Moore and the grand jury for action.

The proceedings involve about a dozen of the biggest brick men in the western part of the state and indirectly about three hundred of the largest material dealers in the area outside of New York City. Mr. Untermeyer's suggestion followed disclosures at to-day's session of a state-wide combine of dealers in building materials, with the prime purpose of fixing prices. A local association, it was shown, set the pace, the rates fixed by this organization being distributed by a state association to all localities except New York City. In connection with the brick monopoly it was disclosed that while the manufacturers here said they could not spare any of their product for New York City, they were dismantling many of the plants, restricting their output and boosting prices. In the face of appeals for the product from builders in New York City the men here reduced their output from 49,000,000 bricks a year to 23,000,000.

"In my opinion," declared Mr. Untermeyer, "we have made a prima facie case against the brick manufacturers and against the dealers in masonry supplies, and the testimony should be sent to the district attorney of the county. I think both really constitute criminal conspiracy against the law and the people should be prosecuted."

Particular interest attached to the hearings to-day through the appearance on the witness stand of Miss Irene Cullen, a young stenographer employed by one of the dealers who had to bear the brunt of the price fixing inquiry. The girl fainting at the close of the examination. It was disclosed, too, that the sand and gravel business within 100 miles of this city was in the complete control of the Buffalo Gravel Company, the distributing organization for the four biggest sand producers along the Niagara River and Lake Erie. The agreement these four concerns made with the Buffalo company was declared to be the "most brazen contract that ever came to the attention of the committee."

The insurance field was also touched upon in the story of Edward S. Franke, a master plumber, who testified that in the period between 1915 and 1921 he paid the Globe Indemnity Company \$119 for insurance on a store-front plate glass that cost him only \$75.

The smooth-face brick business, it was revealed, was practically under the control of the John H. Black Company, which firm was the exclusive agent of almost all of the smooth-face brickmakers in the country.

In this connection it was revealed that John H. Black, the head of this

German Red Leader Used Fire, Bombs, Threats to Levy Tribute

BERLIN, June 15 (By The Associated Press).—Witnesses testifying to-day at the second session of the trial of Max Hoelz, Communist leader, charged with murder, high treason and disturbing public order, described how he threatened wealthy hostages with death, stood them against walls, fired over their heads, burned and dynamited buildings in efforts to terrify the population of Saxony into giving him financial assistance.

Witnesses testified that the Communist leader arrested a pastor by the name of Schmidt at Eisenbach and stood him facing a wall, saying: "I'm Max Hoelz. You'll learn who I am, but have no fear; you'll not be the only one to die to-day."

According to witnesses at to-day's trial, two men with rifles were directed by Hoelz to "watch this preacher." Just then the Communist leader's attention, the witnesses testified, was called to a man looking out of an adjacent window, who was considered a spy. Hoelz immediately drew a revolver and fired four shots into the window. Hoelz then told Schmidt, according to the witnesses, that he must give up a million marks, but released him when he paid 46,000. After demanding sums from hundreds of others who were unable to pay, the Communists under Hoelz's leadership, blew up buildings and bridges at Heilbrunn and Heitstedt, according to the testimony.

Asked by the court if he personally dynamited the buildings at Heilbrunn, Hoelz replied: "No, but I ordered it." Hoelz frequently interrupted the witnesses to question, contradict or correct them.

He said that the association was composed of ten members, all the big dealers in Buffalo, who sent out price lists regularly after discussions at weekly meetings. These price lists, he added, were incorporated in bulletins of the New York State Building Material Dealers' Association, with 300 members, and were generally followed in every county outside the City of New York.

Gardner said the local association had a committee on ethics, of which he was chairman, and the main function of which, he said, was to see that the members conformed to the ethics of maintaining the fixed prices.

At this point Miss Irene Cullen, a young stenographer formerly employed by Harry Brooks, one time secretary and treasurer of the local dealers' association, was put on the stand. She was so unimpressed by the experience that she could not raise her voice above a whisper. She was given a seat off the rostrum usually occupied by witnesses, closer to Mr. Untermeyer.

Miss Cullen was asked about conversations Brooks had over the telephone with other members of the association in respect to meetings at which prices were to be discussed and punishment to be meted out to other members who were underbidding the list prices. With great reluctance she told of meetings at various hotels here. Asked directly if she had heard Brooks telephone to other members about a price-fixing meeting, she sat for nearly ten minutes without opening her mouth. Finally Mr. Untermeyer said:

"Have you been seen by anybody since you were subpoenaed?" She replied she had not. Confronted with a statement she had made to the committee's investigator about the time and date of the price-fixing meeting, she said she was confused at the time and didn't understand the question. After nearly an hour's urging to tell the truth, Miss Cullen finally gave in and admitted she heard Brooks talk of these price-fixing meetings.

The hearing will continue to-morrow.

Silk Gangs Get \$50,000,000 in Loot in Year

(Continued from page one)

had unexpectedly come upon the scene of the hold-up.

Insured for \$20,000

One of the six bandits was seen with the stolen truck between Allentown and Bethlehem, Pa., Tuesday afternoon about the time the authorities of Sussex County learned of the crime. The banding and gagging of Charles Maines, driver of the truck, and Claude Resh, his helper, in the mire of Cats Swamp permitted the thieves to get a sixty-mile start. Maines and Resh still are suffering from treatment they received at the hands of the robbers.

The stolen truck had a yellow chassis and green body. It was laden with 137 packages of merchandise, mostly silk piece goods, and was insured for \$20,000 through Jones & Whitlock, of this city, agents for the Globe and Rutgers Company. On Monday the Sussex Print Company dispatched a shipment to this city valued at \$60,000. Harry T. Bounds, president, and Herbert Bentley, secretary of the company, were in conference in this city yesterday with their insurance agents. A year ago they suffered the loss of a truckload of merchandise valued at \$55,000.

Thieves Well Organized

In exposing activities of truck robbers and receivers Mr. Becker said: "There is no doubt that there exists well organized gangs of thieves who work in conjunction with those who knowingly distribute stolen property. The robbers appear to have established avenues of information, as to the movement of valuable shipments. They always select an appropriate time and place and usually make their attacks from automobiles. In some cases two of the robbers will take the driver away in an automobile while others make off with the truck to some arranged rendezvous, where the goods are concealed for a time. The stolen property then is moved on to so-called merchants, who do business in this city and Paterson, N. J., where stuff is even disposed of on the streets. There is no doubt that the vendors are aware they are handling stolen property, as they sell silks, furs and other merchandise at a fraction of the real value."

"I would say that a conservative estimate of the value of merchandise and trucks stolen in a year within 200 miles of New York would be \$50,000,000. In New York it is not a rare thing for a truckload of merchandise worth \$50,000 to disappear as completely as if it had been dumped into the river."

Receivers Have Agencies

"We have learned that receivers of stolen merchandise here have connections in all parts of the country, including Boston, Cleveland, Detroit, Norfolk and Augusta, Ga. They are well supplied with money for bail purposes if an arrest is made, and often pool their interests for a purchase when a particularly big haul is made. The robbery Tuesday attracted attention because it involved a murder. Perhaps this will result in a more determined effort to break up the traffic."

Announcement that the insurance interests and shippers were preparing to take matters in their own hands was made by Mr. Cunningham.

Malcolm Strauss picture "The Twice Born Woman" will be shown. Mr. Dillingham, in making the announcement yesterday, said the Hippodrome for this supplementary season would be in charge of its presentation and uniformed staff, guides and attendants.

The story of the Strauss picture is based upon the life of Mary Magdalene, Lydia Lott, a French actress, plays the part of the Magdalene. She is expected to arrive in this country in time to view the presentation Wednesday night. The picture was made in Southern France, in Palestine and in Egypt.

Bejeweled Girl Fights 7 Police; Kick Hurts Two

Kentucky Miss, After Causing Near-Riot in Theater, Is Finally Subdued

After causing a near panic in Proctor's East 125th Street Theater last night, a young woman, wearing several diamonds, wrecked a room in the East 126th Street police station, putting up such a fierce battle with chairs and tables as weapons that it required the efforts of half a dozen policemen to subdue her. The girl said she was Margaret Neave, of Falmouth, Ky.

Frank Jones, superintendent of the theater, and Patrolman Schulz were treated by Dr. Cassaza, of Harlem Hospital, for abrasions of the legs. The trouble in the theater started when members of the audience complained that the young woman was annoying them. Jones requested her to be quiet. The answer was a kick which sent him sprawling in the aisle and the challenge:

"Come on, any more of you. Do you think I am a hosa thief?"

In a moment the house was in an uproar and many persons, believing a fire had started, rushed for the doors. Patrolman Schulz, with the same thought in mind, dashed in from the lobby. He was just in time to receive a thrust that bowled him over.

At the police station the young woman kicked at the desk sergeant and then began to throw things around. Finally, through a barrage of flying chairs, tables and cuspidors, the policemen reached her and overcame her.

Three Adrift in Launch

Saved Off Ft. Wadsworth

Tide Captures Youth Bound With Friends for Father's Ship When Engine Fails

John Atkinson, nineteen years old, of 129 Dean Street, Brooklyn, with James West, twenty-two, and Max Frees, twenty-one, visitors at his home, narrowly escaped drifting to sea in a 30-foot motor boat last night, when the engine of their craft died and they were carried by the ebb tide through Ambrose Channel.

Atkinson, a son of Captain William Atkinson, of the steamship City of Elba, which arrived off Bedlow's Island yesterday from Rio de Janeiro, received a wireless message from the vessel as she lay at Quarantine. Eager to meet his father, young Atkinson invited the other young men to join him in a motor boat run to the ship. When they were off Governor's Island the engine failed, and with the heavy tide running the boat drifted rapidly toward the open sea.

At 10:45 o'clock last night an observer at Quarantine picked up the launch with his night glass and communicated with the Stapleton police. An alarm was sent to Fort Wadsworth, and two men in a launch went to the rescue. The drifting boat was overhauled and towed to the fort, where Atkinson and his friends remained last night.

Cummins Predicts Railroad Shortage Of \$1,500,000,000

People Will Not Realize the Government Operation Cost Till Appropriations Are Made, He States

From The Tribune's Washington Bureau

WASHINGTON, June 15.—Senator Cummins, chairman of the Senate Interstate Commerce Committee, declared in the course of the railroad inquiry to-day that the public would not fully realize what government operation cost the government until Congress had to make the appropriations to provide for the shortage resulting from such operation. He estimated the shortage at a billion and a half dollars.

Senator Cummins expressed his views after the committee had received an exhibit by L. E. Wetting, of Chicago, manager of the bureau of statistics of the Western Union. The exhibit showed the net operating income of the railroads was \$638,568,000 in 1918 and \$454,984,000 in 1919. Senator Cummins pointed out that the government was short not simply the difference between the net operating income for those years and the \$930,000,000 guaranteed annually to the carriers, but the amount of allowance made for lack of maintenance and other items in the Federal control period.

Mr. Wetting asserted the carriers performed more work as to maintenance of way and structures in 1920 than during either 1919 or 1918, in an effort to restore the roads to as near their pre-war basis as possible and enable them to meet increasing traffic requirements. He said, however, that while the amount expended for this work in 1920 was much greater, owing to increased cost of labor and materials, the amount of work actually accomplished was less than during the test period, which was the average for the fiscal years of 1915, 1916 and 1917.

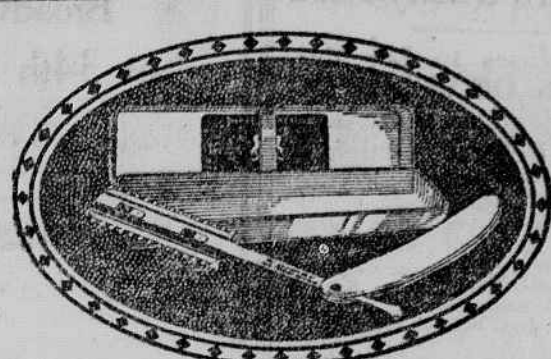
From 1917 to 1920, he said, the increase in total operating revenues was \$3,366,000,000, or 129 per cent, while the increase in operating expenses was \$2,809,000,000, or 194 per cent. The increase in compensation of employees was \$2,439,000,000, or 205 per cent. The payroll was 43.13 per cent of the revenues in 1912 and 69.92 per cent in 1920. The average compensation an employee during this period increased from \$736.63 to \$1,820.05, or 147 per cent, and during the latter part of 1920 the average wage was at the rate of \$1,904 a year.

The rate advance made in 1920, Mr. Wetting said, was supposed to meet in part the increases in wages that had occurred since the previous rate advance in 1918.

During the last four months of 1920, when both the new rates and the new wage rates were in effect, the revenues were \$501,155,134, or 24.4 per cent greater than for the corresponding months of 1919, while the expenses were \$441,581,664 greater, or 27.4 per cent. The net operating income for the four months was \$226,500,000 and was equivalent to an annual return of 2.4 per cent on their tentative valuation fixed by the Interstate Commerce Commission for rate-making purposes.

Mr. Wetting said freight traffic in March, 1921, was 27.2 per cent below what it was during the same month in 1920, while there also was a decline of

12.4 per cent in passenger traffic. Operating expenses last March, however, were only 4.8 per cent below what they were during the same month last year, said the witness, who explained that it was impossible to modify expenses proportionately to the drop in traffic.



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